

MONTANA LEGISLATIVE HISTORY

Chapter 452 19 75

Bill H 197 S _____ Original bill & history C

H. Committee on Local Government

Hearing Date(s) Jan 31 ☒ C.

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Date Out Jan 31 ☒ C

S. Committee on Local Government

Hearing Date(s) Mar 10 ☒ C

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Mar 10 ☒ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

1 *House* BILL NO. *197*
 2 INTRODUCED BY *Fager, Gule, Long, Kimble, Murphy*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND THE STATUTE
 5 PERTAINING TO URBAN RENEWAL AREA FINANCING TO PROVIDE FOR
 6 THE ANNEXATION OR OTHER INCLUSION OF THE URBAN RENEWAL AREA
 7 IN DIFFERENT TAXING JURISDICTIONS; TO PROVIDE THAT THE
 8 ENTIRE TAXABLE VALUE OF THE URBAN RENEWAL AREA MUST BEAR THE
 9 BURDEN OF BONDED INDEBTEDNESS OF ALL TAXING JURISDICTIONS
 10 WITHIN WHICH IT LIES; TO LIMIT THE APPLICATION OF TAX LEVIES
 11 TO THE ACTUAL TAXABLE VALUE OF THE URBAN RENEWAL AREA UNTIL
 12 THE ACTUAL VALUE EXCEEDS THE TAXABLE VALUE OF THE LAST TAX
 13 YEAR PRIOR TO THE ESTABLISHMENT OF THE URBAN RENEWAL AREA;
 14 TO PROVIDE THAT TAX LEVIES SHALL APPLY AGAINST THE ACTUAL
 15 VALUE OF THE URBAN RENEWAL AREA AFTER ALL URBAN RENEWAL
 16 BONDS AND OTHER DEBTS HAVE BEEN RETIRED; TO BROADEN THE USES
 17 OF FUNDS GENERATED BY BONDS; TO AMEND THE DUTIES OF THE
 18 COUNTY TREASURER ACCORDINGLY; AND AMENDING SECTIONS 11-3921,
 19 11-3925, AND 16-2601, R.C.M. 1947."

20
 21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22 Section 1. Section 11-3921, R.C.M. 1947, is amended to
 23 read as follows:

24 "11-3921. Allocation of taxes. Any urban renewal plan
 25 as defined in section 11-3901, R.C.M. 1947, may contain a

1 provision or be amended to contain a provision that taxes,
 2 if any, levied on taxable property in an urban renewal area
 3 each year by or for the benefit of any city which has the
 4 power to levy a tax, shall, after the effective date of such
 5 provision, be allocated as follows:

6 (1) that portion of the taxes produced by the levies
 7 for such city upon the total sum of the assessed value of
 8 the taxable property in the urban renewal area as shown upon
 9 the assessment roll used in connection with the taxation of
 10 such property for such city last equalized prior to the
 11 effective date of the urban renewal plan shall be allocated
 12 to and when collected shall be paid into the funds of such
 13 city as taxes by or for such city on all other property are
 14 paid; and

15 (2) that portion of the levied taxes for such city each
 16 year in excess of such amount shall be allocated to and when
 17 collected, shall be paid into a special fund held by the
 18 city treasurer to pay the principal and interest on bonds,
 19 the issue of which is authorized by section 11-3910, R.C.M.
 20 1947. (1) Any urban renewal plan, as defined in section
 21 11-3901, may contain a provision or be amended to contain a
 22 provision providing that taxes levied on taxable property in
 23 an urban renewal area each year by or for the benefit of the
 24 state, any city, county, or other political subdivisions for
 25 which taxes are levied, (hereafter referred to as taxing

bodies) shall be allocated, after the effective date of such provision as provided in subsections (3) and (4) of this section.

(2) For the purposes of this section, (a) "prior assessed value" means the assessed value of the taxable property in the urban renewal area as shown on the assessment roll last equalized prior to the effective date of the urban renewal plan;

(b) the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

(3) The portion of taxes produced by levies for a taxing body upon the total sum of the prior assessed value of the taxable property in the urban renewal area shall be allocated and paid into the funds of the taxing body like taxes paid by or for the taxing body on all other property. For the purpose of allocating taxes levied by a taxing body that did not include the urban renewal area on the effective date of the provision allocating the taxes but to which the urban renewal area has since been annexed or otherwise included, the assessment roll of the county last equalized prior to the effective date of the provision shall be used in determining the assessed valuation of the taxable property in the urban renewal area.

(4) The portion of taxes levied by such taxing body

each year in excess of the amount levied under subsection (3) shall be paid by the county treasurer into a special fund held by the city treasurer to pay the principal and interest on bonds issued under authority of section 11-3910, except that taxes for the payment of all bonds and interest of each taxing body must be levied against all taxable property within the taxing body without limitation by the provisions of this subsection. Until the actual assessed valuation of all property in the urban renewal area exceeds the prior assessed value of all taxable property within such area, the actual assessed value of all property shall be used for taxation purposes.

(5) The portion of taxes allocated in subsection (4) above, and the special fund into which they are paid, may be pledged by a municipality for the payment of the principal and interest on bonds issued under the authority of section 11-3910, or bonded indebtedness, incurred by a municipality to refinance in whole or in part, the urban renewal project.

(6) After all bonds and interest have been paid, all monies received from taxes upon property within the urban renewal area shall be allocated as taxes on all other property."

Section 2. Section 11-3925, R.C.M. 1947, is amended to read as follows:

"11-3925. Use of funds generated by bonds. Money

generated by the sale of bonds for which funds are allocated pursuant to section ~~1-11-3921~~ ~~of this act~~ may be used by a city only for improvement or construction of streets, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots, sewers, waterlines, or waterways, land acquisition, demolition, and removal of structures, redevelopment, or improvements."

Section 3. Section 16-2601, R.C.M. 1947, is amended to read as follows:

"16-2601. Duties of county treasurer. The county treasurer must:

1. Receive all moneys belonging to the county, and all other moneys by law directed to be paid to him, safely keep the same, and apply and pay them out, rendering account thereof as required by law;

2. Keep an account of the receipt and expenditures of all such moneys in books provided for the purpose, in which must be entered the amount, the time when, from whom, and on what account all moneys were received by him; the amount, time when, to whom, and on what account all disbursements were made by him;

3. So keep his books that the amount received and paid out on account of separate funds or specific appropriations is exhibited in separate and distinct accounts, and the whole receipts and expenditures shown in one general or cash

account;

4. Enter no moneys received for the current year on his account with the county for the past fiscal year, until after his annual settlement for the past year has been made with the county clerk;

5. Disburse the county moneys only on county warrants issued by the county clerk, based on orders of the board of county commissioners, or as otherwise provided by law;

6. Keep all school moneys in a separate fund, and keep a separate account of their disbursement to the several school districts which are entitled to receive them, according to the apportionment of the county superintendent of common schools;

7. Notify the county superintendent of the amount of the county school fund in the county treasury subject to apportionment, whenever required, and inform him of the amount of school moneys belonging to any other fund subject to apportionment, or as otherwise provided by law;

8. Pay all warrants drawn on county or district school moneys, in accordance with the provisions of law, whenever such warrants are countersigned by the district clerk and properly endorsed by the holders;

9. Make, annually, during the month of September of each year, a financial report for the last preceding year ending with August 31st, to the county superintendent in

LC 0187

1 such form as may be required by him."

-End-

on problems in a proposed annexing of an area in Missoula.

HOUSE BILL 197: Rep. Fagg, chief sponsor, explained this is a new method of developing downtown areas. The intent is to take a small area and classify as urban renewal at that time all tax would be froze at existing taxable value. As this area redevelops the new value and all value would go only into that area.

Proponenets were:

Dan Mizener, Executive Director of the Montana League of Cities and Towns, presented an amendment for consideration - exhibit 5. Larry Gallagher, Urban Renewal Director of Helena, said the problem is what to do with older core areas in a city. The basic reason is that a private developer cannot go into these areas and redevelop due to costs. Cities need a tool, and HB 197 will give them that tool that allows them to go in and make improvements and sell to private developers.

Edward J. Gallagher, Anaconda Community Development Department. Polly Prchal, City of Billings, said any local financing method that can maintain a viable tax base for the corporate city should be permitted. This bill is a very local way of financing.

Robert E. Brown, Mayor, City of Missoula.

Arlene Loble, City of Helena, said HB 197 offers cities an alternative means of locally financing redevelopment activities and keeping downtown property on the tax rolls and increasing in value.

There were no opponents.

HOUSE BILL 211: Rep. Gilligan, chief sponsor, explained the reason for the bill is to eliminate the sheriffs liability when doing his duties in respect to service of process and levy of attachment. Rep. Gilligan presented an amendment - exhibit 6. Proponents were Cap Bryant and James R. Burnes representing the Montana Sheriff's and Peace Officer's Assoc. There were no opponents.

HOUSE BILL 245: Rep. Brand, chief sponsor, said this bill is needed because there has been problems in creating mosquito districts. He introduced Kenneth L. Quickenden, Department of Health and Environmental Sciences, who explained the amendments and left a statement with the secretary - exhibit 7. Proponents were Dick Meyer, Department of Agriculture, who spoke and left a statement on amendments - exhibit 8; John Delano, Montana Railroad Assoc.; and Les Cramer, Montana Environmental Health Association. There were no opponents.

HOUSE BILL 254: Rep. Fagg, chief sponsor, said this bill would help cities to develop mass bussing systems. Proponent, Rep. Kemmis, District No. 100, stated with the energy crisis the need for mass transit is crucial. Systems always run at a deficit which seems inevitable. This bill represents an excellent way to make up part of the deficit and encourages use of the system at the same time.

Proponents giving testimony were Dan Mizner, Executive Director Montana League of Cities and Towns; Polly Prchal, City of Billings; Arlene Loble, City of Helena; Bill Emge, Manager, Helena Bus System; and Peg O'Grady, Senior Citizen.

Jim Beck, Department of Highways, neither opponent or proponent, said they were concerned about the money coming from Highway funds.

Terry Bass, Montana Contractor's Assoc., opponent, opposed to taking the money from highway fund.

Rep. Fagg said he will present a short amendment relative to funding.

HOUSE BILL 255: Rep. Fagg, chief sponsor, spoke briefly on this bill. He believed the mayor of cities should receive the majority of votes in an election. There were no proponents. Opponent was Dan Mizner, Executive Director Montana League of Cities and Towns.

HOUSE BILL 259: Rep. Menahan, sponsor, introduced John Bell, representing the Clerk and Recorders, who said this bill will take the clerk and recorders out of the general pay statute for elected county officials and will provide a long overdue raise in pay. Proponent, Helen Kovich, Clerk and Recorders, asked for consideration of a do pass. There were no opponents.

The committee went into executive session.

Representatives Marks, Robbins, and Magone were excused

HOUSE BILL 197: It was moved by Rep. Palmer, seconded by Rep. Wyrick, that the amendment to amend HB 197 on page 5, section 2, line 6, following the word "structures,"; by striking the word "redevelopment" and inserting the words "relocation of occupants" be adopted. Motion carried unanimously. It was moved by Rep. Kendall, seconded by Rep. Kummerfeldt, that House Bill 197 DO PASS AS AMENDED. Motion carried unanimously.

HOUSE BILL 211: It was moved by Rep. Kendall, seconded by Rep. Palmer, to amend HB 211 in the introduced bill as follows:
Amend page 1, section 1, line 24 and 25.

Following: "sheriff"

Strike: "has exercised good and proper judgement"

Insert: "made such process or attachment in a reasonable manner"

Motion carried unanimously. It was moved by Rep. Kendall, seconded by Rep. Wyrick, that HB 211 DO PASS AS AMENDED. Motion carried unanimously.

HOUSE BILL 245: It was moved by Rep. Kendall, seconded by Rep. Bertelsen, that HB 245 DO PASS. Motion carried unanimously.

There were no opponents.

The Committee questioned the witnesses.

CONSIDERATION OF HOUSE BILL 197: Representative Fagg explained that his bill was to correct an oversight in a bill passed last session concerning taxes within an Urban Renewal area. Dan Mizner introduced Larry Gallagher of the Helena Urban Renewal Program who supported the bill. Ed Gallagher, John Toole, Polly Prcahl, Dean Holmes, and Cliff Christian also gave supportive testimony.

There were no opponents.

The Committee questioned the witnesses.

DISPOSITION OF BILLS:

HOUSE BILL 197: Senator Watt made a motion that HB 197 BE CONCURRED IN. Seconded by Senator Goodover. Motion carried.

HOUSE BILL 399: Senator Goodover made a motion that HB 399 BE CONCURRED IN. Seconded by Senator Thiessen. Motion carried.

ADJOURN: There being no further business, the meeting was adjourned at 12:30 P.M.


MILES ROMNEY, Chairman

MR:dg

STANDING COMMITTEE REPORT

March 10 1975

MR. PRESIDENT

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 197

Respectfully report as follows: That HOUSE Bill No. 197

BE CONCURRED IN

~~XXXXXX~~

STATE PUB. CO.
Harris, Mont.

MILES ROMNEY

Chairman.

HOUSE BILL NO. 197

INTRODUCED BY FAGG, GERKE, LORY, KIMBLE, MURPHY

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND THE STATUTE PERTAINING TO URBAN RENEWAL AREA FINANCING TO PROVIDE FOR THE ANNEXATION OR OTHER INCLUSION OF THE URBAN RENEWAL AREA IN DIFFERENT TAXING JURISDICTIONS; TO PROVIDE THAT THE ENTIRE TAXABLE VALUE OF THE URBAN RENEWAL AREA MUST BEAR THE BURDEN OF BONDED INDEBTEDNESS OF ALL TAXING JURISDICTIONS WITHIN WHICH IT LIES; TO LIMIT THE APPLICATION OF TAX LEVIES TO THE ACTUAL TAXABLE VALUE OF THE URBAN RENEWAL AREA UNTIL THE ACTUAL VALUE EXCEEDS THE TAXABLE VALUE OF THE LAST TAX YEAR PRIOR TO THE ESTABLISHMENT OF THE URBAN RENEWAL AREA; TO PROVIDE THAT TAX LEVIES SHALL APPLY AGAINST THE ACTUAL VALUE OF THE URBAN RENEWAL AREA AFTER ALL URBAN RENEWAL BONDS AND OTHER DEBTS HAVE BEEN RETIRED; TO BROADEN THE USES OF FUNDS GENERATED BY BONDS; TO AMEND THE DUTIES OF THE COUNTY TREASURER ACCORDINGLY; AND AMENDING SECTIONS 11-3921, 11-3925, AND 16-2601, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 11-3921, R.C.M. 1947, is amended to read as follows:

"11-3921. Allocation of taxes. Any urban renewal plan as defined in section 11-3901, R.C.M. 1947, may contain a

provision or be amended to contain a provision that taxes, if any, levied on taxable property in an urban renewal area each year by or for the benefit of any city which has the power to levy a tax, shall, after the effective date of such provision, be allocated as follows:

(1) that portion of the taxes produced by the levies for such city upon the total sum of the assessed value of the taxable property in the urban renewal area as shown upon the assessment roll used in connection with the taxation of such property for such city last equalized prior to the effective date of the urban renewal plan shall be allocated to and when collected shall be paid into the funds of such city as taxes by or for such city on all other property are paid; and

(2) that portion of the levied taxes for such city each year in excess of such amount shall be allocated to and when collected, shall be paid into a special fund held by the city treasurer to pay the principal and interest on bonds, the issue of which is authorized by section 11-3910, R.C.M. 1947. (1) Any urban renewal plan, as defined in section 11-3901, may contain a provision or be amended to contain a provision providing that taxes levied on taxable property in an urban renewal area each year by or for the benefit of the state, any city, county, or other political subdivisions for which taxes are levied, (hereafter referred to as taxing

bodies) shall be allocated, after the effective date of such provision as provided in subsections (3) and (4) of this section.

(2) For the purposes of this section, (a) "prior assessed value" means the assessed value of the taxable property in the urban renewal area as shown on the assessment roll last equalized prior to the effective date of the urban renewal plan; NOTWITHSTANDING THE PROVISIONS OF THIS ACT, ANY INCREASE RESULTING FROM A COMPREHENSIVE REVALUATION OF ALL PROPERTY WITHIN THE COUNTY MAY BE APPLIED TO THE PROPERTY FOR THE PURPOSE OF DETERMINING THE "PRIOR ASSESSED VALUE";

(b) the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

(3) The portion of taxes produced by levies for a taxing body upon the total sum of the prior assessed value of the taxable property in the urban renewal area shall be allocated and paid into the funds of the taxing body like taxes paid by or for the taxing body on all other property. For the purpose of allocating taxes levied by a taxing body that did not include the urban renewal area on the effective date of the provision allocating the taxes out to which the urban renewal area has since been annexed or otherwise included, the assessment roll of the county last equalized

prior to the effective date of the provision shall be used in determining the ~~assessed--valuation--of--the--taxable~~ property-in-the-urban-renewal-area PRIOR ASSESSED VALUE.

(4) The portion of taxes levied by such taxing body each year in excess of the amount levied under subsection (3) shall be paid by the county treasurer into a special fund held by the city treasurer to pay the principal and interest on bonds issued under authority of section 11-3910, except that taxes for the payment of all bonds and interest of each taxing body must be levied against all taxable property within the taxing body without limitation by the provisions of this subsection. Until the actual assessed valuation of all property in the urban renewal area exceeds the prior assessed value of all taxable property within such area, the actual assessed value of all property shall be used for taxation purposes.

(5) The portion of taxes allocated in subsection (4) above, and the special fund into which they are paid, may be pledged by a municipality for the payment of the principal and interest on bonds issued under the authority of section 11-3910, or bonded indebtedness, incurred by a municipality to refinance in whole or in part, the urban renewal project. PRIOR TO THE SALE OF ANY BONDS, THERE SHALL BE (A) AN ELECTION UNDER SECTIONS 11-2308 AND 11-2309 APPROVING SUCH SALE, OR (B) A PETITION FOR THE SALE SIGNED BY THE OWNERS OR

1 OF RECORD OF AT LEAST FIFTY-ONE PERCENT (51%) OF THE LAND
2 WITHIN THE URBAN RENEWAL DISTRICT.

3 (6) After all bonds and interest have been paid, all
4 monies received from taxes upon property within the urban
5 renewal area shall be allocated as taxes on all other
6 property."

7 Section 2. Section 11-3925, R.C.M. 1947, is amended to
8 read as follows:

9 "11-3925. Use of funds generated by bonds. Money
10 generated by the sale of bonds for which funds are allocated
11 pursuant to section ~~11-3921~~ ~~of this act~~ may be used by a
12 city only for improvement or construction of streets, curbs,
13 gutters, sidewalks, pedestrian malls, alleys, parking lots,
14 sewers, waterlines, ~~or~~ waterways, land acquisition,
15 demolition, and removal of structures, ~~redevelopment~~
16 RELOCATION OF OCCUPANTS, or improvements. ALL BONDS
17 FINANCED MUST BE SOLD WITHIN FIVE (5) YEARS AFTER THE
18 ADOPTION OF THE ORIGINAL URBAN RENEWAL PLAN PRIOR TO THE
19 ADOPTION OF ANY AMENDMENT."

20 Section 3. Section 16-2601, R.C.M. 1947, is amended to
21 read as follows:

22 "16-2601. Duties of county treasurer. The county
23 treasurer must:

24 1. Receive all moneys belonging to the county, and all
25 other moneys by law directed to be paid to him, safely keep

1 the same, and apply and pay them out, rendering account
2 thereof as required by law;

3 2. Keep an account of the receipt and expenditures of
4 all such moneys in books provided for the purpose, in which
5 must be entered the amount, the time when, from whom, and on
6 what account all moneys were received by him; the amount,
7 time when, to whom, and on what account all disbursements
8 were made by him;

9 3. So keep his books that the amount received and paid
10 out on account of separate funds or specific appropriations
11 is exhibited in separate and distinct accounts, and the
12 whole receipts and expenditures shown in one general or cash
13 account;

14 4. Enter no moneys received for the current year on his
15 account with the county for the past fiscal year, until
16 after his annual settlement for the past year has been made
17 with the county clerk;

18 5. Disburse the county moneys only on county warrants
19 issued by the county clerk, based on orders of the board of
20 county commissioners, or as otherwise provided by law;

21 6. Keep all school moneys in a separate fund, and keep
22 a separate account of their disbursement to the several
23 school districts which are entitled to receive them,
24 according to the apportionment of the county superintendent
25 of common schools;

1 7. Notify the county superintendent of the amount of
2 the county school fund in the county treasury subject to
3 apportionment, whenever required, and inform him of the
4 amount of school moneys belonging to any other fund subject
5 to apportionment, or as otherwise provided by law;

6 8. Pay all warrants drawn on county or district school
7 moneys, in accordance with the provisions of law, whenever
8 such warrants are countersigned by the district clerk and
9 properly endorsed by the holders;

10 9. Make, annually, during the month of September of
11 each year, a financial report for the last preceding year
12 ending with August 31st, to the county superintendent in
13 such form as may be required by him."

-End-